GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:1029
ANSWERED ON:25.11.2002
MINIMUM WAGE LAWS
V. VETRISELVAN

Will the Minister of LABOUR be pleased to state:

(a) whether almost all countries in the world except India have minimum wage laws to protect the interests of workers from monopsonistic exploitation;

(b) if so, the hurdles in enforcing said laws in India;

(c) whether the Government have given priority to protection of labour and generating more employment; and

(d) if so, the steps taken by the Government in this direction?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN)

(a) & (b): In India a legislation called Minimum Wages Act, 1948 is in force to safeguard the interest of the workers in the unorganised sector who are generally vulnerable to exploitation due to illiteracy and lack of bargaining power. Many other countries like Denmark, Germany, Belgium, Australia, Bangladesh, Austria, Brazil, Canada, China etc. also have minimum wages legislations.

As per the provisions of the Act, both Central and the State Governments are the appropriate Government to fix, revise and enforce minimum wages. The enforcement of the Minimum Wages Act, is secured through the Officers of the Central Industrial Relations Machinery in the Central Sphere while in the state sphere, the implementation is ensured by the state enforcement machinery. The officers of these machineries conduct inspections of the establishments regularly and also investigate complaints and whenever they come across any case of non-payment or less payment of minimum wages they advise the employers to make payment of shortfall of wages. In the case of non-adherence, they file claim applications and take legal action as per provisions in the Act against the defaulting employers.

(c) & (d): The approach to Tenth Plan focuses on providing gainful high quality employment to the additions to the labour force and it is listed as one of the monitorable objectives for the 10th Plan and beyond. The growth strategy of 10th Plan would lay emphasis on rapid growth of those sectors which are likely to create high quality employment opportunities and deal with the policy constraints which discourage growth of employment. Particular attention would be paid to the policy environment influencing a wide range of economic activities which have a large employment potential.